

**Senate Bill No. 1046**

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Passed the Senate May 5, 2014

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*Secretary of the Senate*

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Passed the Assembly August 4, 2014

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2014, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add Section 10144.53 to the Insurance Code, relating to insurance.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1046, Beall. Insurance: mental illness: developmental disabilities: coverage: penalties.

Existing law requires that health insurance policies provide coverage for the diagnosis and medically necessary treatment of severe mental illnesses of a person of any age and of serious emotional disturbances of a child, under the same terms and conditions applied to other medical conditions, as specified. Existing law requires health insurance policies to provide benefits for specified conditions, including coverage for behavioral health treatment, as defined, for pervasive developmental disorder or autism, as specified.

This bill would give the Insurance Commissioner the authority to assess administrative penalties for any violations of the above provisions, including any rules or orders adopted or issued based on violations of those provisions. The bill would also give the commissioner authority to assess a penalty for each patient harmed by a violation of the above provisions, including any rules or orders adopted or issued based on violations of those provisions, as a separate and distinct violation. The penalties would not exceed \$2,500 for each violation, or for an ongoing and continuous violation, the penalty would not exceed \$2,500 per day for as long as the violation continues.

*The people of the State of California do enact as follows:*

SECTION 1. Section 10144.53 is added to the Insurance Code, to read:

10144.53. (a) In addition to any other remedy permitted by law, the commissioner shall have the authority to assess administrative penalties as specified in this section against insurers for violations of Sections 10144.5 and 10144.51.

(b) Any person who violates Section 10144.5 or 10144.51, or who violates any rules or orders adopted or issued pursuant to this chapter based on a violation of Section 10144.5 or 10144.51, shall be liable for a penalty not to exceed two thousand five hundred dollars (\$2,500) for each violation or, for a violation that is ongoing and continuous, not to exceed two thousand five hundred dollars (\$2,500) for each day that the violation continues.

(c) Each patient harmed by a violation of Section 10144.5 or 10144.51, or any rules or orders adopted or issued pursuant to this chapter based upon a violation of Section 10144.5 or 10144.51, constitutes a separate and distinct violation subject to the penalties set forth in this section.

(d) The remedies provided by this section and by other sections of this code are not exclusive, and may be sought and employed in any combination to enforce this chapter.

(e) A penalty imposed pursuant to this section shall be imposed and determined by the commissioner in a proceeding conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

Approved \_\_\_\_\_, 2014

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*Governor*